

TITLE XIX ADVISORY COMMITTEE MEETING
May 25, 2012

Conference Call

MINUTES

<u>Members Attending</u>	<u>Members Not Attending</u>
Claudia St. Clair, Chair	David Gallaher
Heather Milliren	
Eleanor Owen	
Ginger Kwan	
Gerry Yorioka, MD	
Lan Nguyen	
Kyle Yasuda, MD	
Dean Riskedahl, OD	
Maria Nardella, Program Manager, DOH	
Mike Hassing	
Molly Firth	
<u>Staff</u>	<u>Guests</u>
Doug Porter, Director, HCA	Janet Varon, NoHLA
Jim Stevenson, Chief Communications Officer, HCA	Bob Perna, WSMA
Connie Bergener, Administrative Assistant 5, HCA	Andrew Busz, WSHA
Andy Cherullo, CFO, HCA	
Preston Cody, Assistant Director, HCA, Health Care Services	
Manning Pellanda, Assistant Director, HCA, Eligibility, Policy, and Service Delivery	

Approval of Minutes and Agenda

The agenda was approved.

The March 23, 2012, meeting minutes were approved.

Apple Health for Kids Outreach

Preston Cody reported on Apple Health for Kids. The Legislature appropriated \$500,000 in state funds to support the program and use for renewal of Apple Health, but not to use only for new enrollment.

A meeting is scheduled June 21 with the group to make a recommendation to be in line with what was done last time with some caveats. An audit was completed with some changes.

There is a meeting in June with the hopes to have a recommendation and process in place as early as late July. In the meantime, staff will put together a framework and make refinements. Preston said there

will be more to report at future meetings. He said it was too early to say how the outreach would proceed, but that we hoped to reach as many uninsured children as possible. There are approximately 101,000 uninsured children in the state – about 3.5 percent of the population.

RFP and Transitions

Preston said staff continues to move forward with the managed care contracts, effective July 1. There is an outreach effort – webinars – to keep clients and providers briefed. Preston said to let him know if there are questions or information that is needed.

He said all site reviews are completed for the Joint Procurement and corrective action plans have been submitted as part of the reviews. All five plans selected for new contracts have completed the necessary requirements. Training sessions are complete, and staff is working with plans to ensure they understand how the contracts will be implemented.

Managed care plans are always working to broaden network for clients, and signups are expected to continue. Today, 38 counties have one or more managed care plan. So far, Molina is in 33 counties, Coordinated Care is in 28 counties, UnitedHealth is in 31 counties, Amerigroup is in 16 counties, and CHPW is in 29. A press release will go out soon on the plans' geographic results.

Preston said there were some changes from initial awards – 38 of 39 counties have adequate provider networks, but that Clark County remains a temporary problem. He said the staff is still working on those issues and a final decision will be made as soon as possible.

Mike Hassing asked if there is there a way for them to identify in the county which plans serve which part of a county? Preston said yes. This will be included in a press release planned for distribution later today.

Preston said the provider databases also should be posted on the Internet shortly so clients will be able to see provider availability. The databases will include all providers available to accept Medicaid clients.

Mike asked about network adequacy and if it will be reviewed on an ongoing basis?

Preston said it will be an ongoing process. He said that, if the plan doesn't receive the original threshold, it won't be assigned additional clients. The threshold will be submitted every ten days, and the next reporting date is June 4. If they meet the threshold, they would be available for next month.

He said the first three months of the contract will continue, but the plans won't receive assignments until the whole network is in place.

Janet Varon asked about the number of patients in each county and whether that information is going to be available? She said it would be nice to get a sense of how many patients there are so that clients could make a different choice depending on how many each provider is taking.

Preston said he would get back with Janet to see if and when that information would be available.

Oregon Waiver

Doug Porter shared there have been several conversations with the state of Oregon since a widely publicized "agreement" between CMS and Oregon over a different approach to managed care. Doug

said he does not think there really is an agreement or approved waiver with CMS right now, but that Oregon has said it will save state and federal governments \$11 billion over the next ten years. The initial investment will be in the range of \$620 million.

The savings rely on new coordinated care centers, which will find ways to treat patients more efficiently and effectively in the future. He said the details still need to be worked out, and Washington – like many other states – is waiting to see what Oregon can come up with.

Doug said Washington Medicaid will watch this closely, but that he is not yet convinced it is all in place. Oregon is half the size of Washington, so it seems like it would be a stretch to save \$11 billion in ten years.

Eleanor agreed, saying it was probably too good to be true. She said Doug was right to wait and see the plan working before jumping in.

Dr. Yorioka was also skeptical. He said that extending coverage by limiting types of services was maxed out about five years ago.

Medicaid Expansion

Assistant HCA Director Manning Pellanda said HCA's expansion plans are now posted on the website, but are ever-evolving. He said staff is updating information as quickly as questions come up. He said committee members with questions should send them through the link on the website.

Under expansion, Medicaid will expand its eligible populations – boosting the eligibility of childless adult applicants between age 19 and 64 to 138 percent of Federal Poverty Level (133 percent as listed in the law, plus a mandatory 5 percent income disregard).

He said expansion will require a much different set of eligibility criteria and calculations called MAGI (for “modified adjusted growth income”). He said preliminary research by the Urban Institute shows that more than 325,000 new clients will join Medicaid – that includes 250,000 newly eligible childless adults and some 75,000 “welcome mat” applicants who qualify for Medicaid right now under current eligibility standards – but who are not enrolled for any number of reasons. It is a Medicaid truism that changing eligibility standards always attracts people who realize for the first time that they are eligible. Manning said that applications, renewals and income verifications will be processed through the Health Benefits Exchange web portal; however, his expectation is that clients will be able to apply by phone, walk-in, and mail, as well as online.

Manning said that, foster children and SSI clients applying for coverage or renewal will continue to be processed much as it happens today and will probably not be sent through the exchange web portal.

HBE web portal

1. Creation of new online application system.
2. New rules engine for MAGI population.

Manning said the agency will be looking for simplification opportunities, such as a streamlined application and renewal processes. Income verification automated, and much of the information will be matched against various data resources automatically, with new access to IRS data. Income information that goes in will be matched against IRS data sources to verify applicants' claims of modified gross

income. The system also will need to accept some level of self-attestation, and income and household membership needs to mirror federal tax rules. Self-attestation will help expedite eligibility and eliminate some barriers.

Applicants who do not have internet access will receive other assistance. Manning said HCA is looking at a variety of ways to help those that need help with process. Data entry will be required, and no matter what the source, information on hard copy must be entered into web portal for determination. He said there needs to be a reasonably reconcilable audit trail to verify client applications, and there will be many opportunities for churn as applicants move in and out of eligibility – a pregnant woman who gives birth, for example. So he anticipates there will be a huge collaboration between Medicaid and the Health Benefit Exchange.

Manning said HCA is participating on a number of national work groups to ensure we can make the experience comfortable for applicants. Staff has started holding Medicaid expansion webinars, and Manning said staff is willing to work with partners. He also said that a rules engine is being built to support MAGI.

Gerry said the 500,000 figure has been used for years to describe the possible enrollment increase under health care reform. Manning said that number will change.

Molly said she encourages meetings with face-to-face dialogues, not just webinars.

Budget Update

Andy Cherullo talked about the \$2 billion shortfall anticipated last fall, which led to a gubernatorial directive for ten-percent cuts across the board (\$450 million for HCA alone). He said those drastic measures were not needed after all; revenues have stabilized and the benchmark is low right now. Basic Health and Disability Lifeline have been saved again.

Andy also discussed some of the new budget changes, including changes in funding for emergency room visits – a limit non-medically necessary treatments in the ER has now been changed to adopting best practices and working with hospitals and ER physicians. He said the Legislature also has mandated HCA to put together a new drug formulary to contain drug cost. That is scheduled to be implemented on September 1.

Concerning administrative cuts, Andy said HCA required \$6.6 million for FY12, equating to 65 staff; \$6.4 million for FY13, equating to 80 staff. He said the agency is struggling to absorb these vacancies and still do its business – much of it unfunded; there are fewer resources and staff to work on a record 54 budget provisos from Legislature.

Next meeting is a face-to-face on Friday, July 27.

Meeting adjourned at 9:15 a.m.